

**REMARKS**

Claims 1-8 and 10-17 are pending in the above-identified application. Claims 19-28 are withdrawn from consideration as being directed to non-elected inventions. In the Final Office Action dated November 29, 2006, the Examiner made the following disposition:

- A.) Rejected claims 1-3, 8-12[sic], 17, and 18[sic] under 35 U.S.C. §102(e) as allegedly being anticipated by *Carey, et al.*
- B.) Rejected claims 4-7 and 13-16 under 35 U.S.C. §103(a) as allegedly being unpatentable over *Carey, et al.*

Applicant respectfully traverses the rejections and addresses the Examiner's disposition below.

- A.) Rejection of claims 1-3, 8-12[sic], 17, and 18[sic] under 35 U.S.C. §102(e) as allegedly being anticipated by *Carey, et al.*:

Applicant respectfully disagrees with the rejection.

Applicant respectfully notes the Examiner mistakenly rejected claims 9 and 18, which have been canceled.

Independent claims 1 and 10, each as amended, each claim subject matter relating to a magnetoresistance-effect element comprising a magnetism-sensing section the electric resistance of which changes in accordance with an external magnetic field. A low-resistance metal layer contacts the magnetism-sensing section. An oxide layer is provided on that surface of the low-resistance metal layer which faces away from the magnetism-sensing section. A non-magnetic protective layer is provided on that surface of the oxide layer which faces away from the low-resistance metal layer.

This is clearly unlike *Carey* which fails to disclose or suggest Applicant's claimed non-magnetic protective layer. Nowhere does *Carey* discuss a non-magnetic protective layer formed on its oxide layer. Therefore, for at least this reason, *Carey* fails to disclose or suggest claims 1 and 10.

The Examiner alleges that *Carey* discloses or suggests the subject matter of claims 6 and 15, which are cancelled herein. However, *Carey* makes no such teaching. And the Examiner has failed to provide a citation from *Carey* to suggest the claimed subject matter. Nowhere does *Carey* suggest a non-magnetic protective layer formed on its oxide layer.

Claims 2, 3, 8, 11, 12, and 17 depend directly or indirectly from claim 1 or 10 and are therefore allowable for at least the same reasons that claims 1 and 10 are allowable.

Applicant respectfully submits the rejection has been overcome and requests that it be withdrawn.

B.) Rejection of claims 4-7 and 13-16 under 35 U.S.C. §103(a) as allegedly being unpatentable over *Carey, et al.*:

Applicant respectfully disagrees with the rejection.

Independent claims 1 and 10 are allowable over *Carey* as discussed above. Claims 4, 5, 7, 13, 14, and 16 depend directly or indirectly from claim 1 or 10 and are therefore allowable for at least the same reasons that claims 1 and 10 are allowable.

Claims 6 and 15 are cancelled.

Applicant respectfully submits the rejection has been overcome and requests that it be withdrawn.

CONCLUSION

In view of the foregoing, Applicant submits that the application is in condition for allowance. Notice to that effect is requested.

Respectfully submitted,

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